

THE STOCK EXCHANGE OF THAILAND AND ITS SUBSIDIARIES

CONSOLIDATED AND ENTITY FINANCIAL STATEMENTS

31 DECEMBER 2012



AUDITOR'S REPORT

To the Members of The Stock Exchange of Thailand

I have audited the accompanying consolidated and entity financial statements of The Stock Exchange of Thailand and its subsidiaries and of The Stock Exchange of Thailand which comprise the consolidated and entity statements of financial position as at 31 December 2012, and the related consolidated and entity statements of comprehensive revenues and expenses, changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.



Opinion

In my opinion, the consolidated and entity financial statements referred to above present fairly, in all material respects, the consolidated and entity financial position of The Stock Exchange of Thailand and its subsidiaries and of The Stock Exchange of Thailand as at 31 December, and its consolidated and entity results of operations and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

A handwritten signature in black ink, appearing to read "Udom", written over a horizontal line.

Nattaporn Phan-Udom
Certified Public Accountant (Thailand) No. 3430
PricewaterhouseCoopers ABAS Ltd.
Bangkok

20 February 2013

The Stock Exchange of Thailand and its Subsidiaries
Statements of Financial Position
As at 31 December 2012 and 2011

	Notes	(Unit : Baht'000)			
		Consolidated		SET	
		2012	2011	2012	2011
Assets					
Current assets					
Cash and cash equivalents	7	1,045,674	364,643	769,867	221,981
Cash at banks for financial benefits payable		57,906	-	-	-
Assets for margin deposits and benefits	17	6,810,073	6,053,018	-	-
Short-term investments, net	8	7,275,683	9,452,678	7,238,663	8,614,168
Accounts receivable and accrued income, net	6, 9	293,969	214,109	269,162	421,252
Accrued interest receivable		138,852	101,948	134,565	94,474
Other current assets	6, 10	453,255	316,068	193,712	282,611
Total current assets		16,075,412	16,502,464	8,605,969	9,634,486
Non-current assets					
Investments in subsidiaries	11	-	-	597,291	597,291
Investments in jointly-controlled entity, net	12	76,359	58,495	25,000	25,000
Investments in associates, net	13	497,907	495,307	396,605	396,605
Long-term investments, net	14	8,314,525	5,329,372	8,265,430	5,308,512
Assets for clearing system protection and benefits	18	1,548,357	1,371,232	127,033	122,862
Securities Investor Protection Fund	22	651,101	617,837	651,101	617,837
Property, plant and equipment, net	15	2,450,435	2,417,568	2,447,531	2,411,896
Intangible assets, net	16	318,113	223,104	315,440	218,753
Refundable deposits		2,888	3,228	2,878	3,218
Total non-current assets		13,859,685	10,516,143	12,828,309	9,701,974
Total assets		29,935,097	27,018,607	21,434,278	19,336,460

The accompanying notes are an integral part of these consolidated and entity financial statements.

The Stock Exchange of Thailand and its Subsidiaries
Statements of Financial Position (cont.)
As at 31 December 2012 and 2011

	Notes	(Unit : Baht'000)			
		Consolidated		SET	
		2012	2011	2012	2011
Liabilities and fund balances					
Current liabilities					
Margin deposits and benefits payable	17	6,810,073	6,053,018	-	-
Accounts payable and accrued expenses	6, 19	875,594	692,509	856,361	678,832
Fees received in advance		234,633	237,124	154,572	169,218
Short-term borrowings from subsidiaries	6	-	-	1,035,400	559,400
Current portion of provision for employee benefits	21	6,102	5,630	6,102	5,630
Other current liabilities	6, 20	669,675	505,895	273,524	332,769
Total current liabilities		8,596,077	7,494,176	2,325,959	1,745,849
Non-current liabilities					
Assets for clearing system protection and benefits payable	18	1,421,324	1,248,370	-	-
Contributions and benefits to Securities Investor Protection Fund	22	244,671	232,172	244,671	232,172
Provision for employee benefits	21	160,340	143,592	160,340	143,592
Other non-current liabilities		28,134	32,381	28,134	32,381
Total non-current liabilities		1,854,469	1,656,515	433,145	408,145
Total liabilities		10,450,546	9,150,691	2,759,104	2,153,994
Fund balances					
Funds	22	18,690,780	17,321,865	17,873,467	16,627,845
Unrealised gain on available-for-sale securities		793,769	546,049	801,707	554,621
Non-controlling interests		2	2	-	-
Total fund balances		19,484,551	17,867,916	18,675,174	17,182,466
Total liabilities and fund balances		29,935,097	27,018,607	21,434,278	19,336,460

The accompanying notes are an integral part of these consolidated and entity financial statements.

The Stock Exchange of Thailand and its Subsidiaries
Statements of Comprehensive Revenues and Expenses
For the years ended 31 December 2012 and 2011

	Notes	(Unit : Baht'000)			
		Consolidated		SET	
		2012	2011	2012	2011
Revenues					
Operating revenues	24	3,364,915	3,244,912	1,330,239	1,202,854
Investment income, net	25	982,181	752,252	1,256,113	861,765
Other income	26	151,562	137,431	1,489,015	1,489,503
Total revenues		4,498,658	4,134,595	4,075,367	3,554,122
Expenses					
Employee benefit expenses	27	1,084,261	1,101,598	1,084,325	1,101,641
Directors' remuneration		19,610	18,739	18,960	18,089
Marketing expenses		134,293	103,988	134,170	104,074
Educational activity expenses		195,083	190,083	195,083	190,148
Direct service expenses		184,743	182,955	-	-
Building and office expenses		153,864	138,657	153,288	138,091
Technology expenses		149,125	137,202	143,555	136,277
SEC fees	28	333,726	300,851	331,726	298,851
Depreciation and amortisation	15, 16	184,670	194,830	180,852	187,227
Other expenses	29	159,587	176,305	154,917	167,002
Total expenses		2,598,962	2,545,208	2,396,876	2,341,400
Share of profit of investments in jointly-controlled entity (net of income tax)	12	26,432	19,990	-	-
Share of profit of investments in associates (net of income tax)	13	2,010	3,535	-	-
Revenues over expenses		1,928,138	1,612,912	1,678,491	1,212,722
Non-operating items					
Income derived from Securities Investor Protection Fund, net	23	14,083	13,368	14,083	13,368
Contributions to the Stock Exchange of Thailand Foundation	6	(453,634)	(358,937)	(453,634)	(358,937)
Revenues over expenses before income tax		1,488,587	1,267,343	1,238,940	867,153
Income tax		(126,354)	(157,680)	-	-
Revenues over expenses		1,362,233	1,109,663	1,238,940	867,153
Revenues over expenses for the years attributable to:					
Owners of the parent		1,362,232	1,109,662	1,238,940	867,153
Non-controlling interests		1	1	-	-
		1,362,233	1,109,663	1,238,940	867,153

The accompanying notes are an integral part of these consolidated and entity financial statements.

The Stock Exchange of Thailand and its Subsidiaries
Statements of Comprehensive Revenues and Expenses (cont.)
For the years ended 31 December 2012 and 2011

	Notes	(Unit : Baht'000)			
		Consolidated		SET	
		2012	2011	2012	2011
Revenues over expenses		<u>1,362,233</u>	<u>1,109,663</u>	<u>1,238,940</u>	<u>867,153</u>
Other comprehensive revenues and expenses:					
Available-for-sale financial assets					
Unrealised gain (loss) recognised in fund balances		348,520	(205,400)	348,479	(205,280)
Transferred gain from sale		(101,390)	(153,590)	(101,390)	(153,590)
Share of gain (loss) in investments in associates	13	<u>590</u>	<u>(391)</u>	<u>-</u>	<u>-</u>
		247,720	(359,381)	247,089	(358,870)
Available-for-sale financial assets from					
Securities Investor Protection Fund, net	23	<u>6,682</u>	<u>(1,113)</u>	<u>6,682</u>	<u>(1,113)</u>
Total other comprehensive revenues and expenses		<u>254,402</u>	<u>(360,494)</u>	<u>253,771</u>	<u>(359,983)</u>
Total comprehensive revenues and expenses		<u><u>1,616,635</u></u>	<u><u>749,169</u></u>	<u><u>1,492,711</u></u>	<u><u>507,170</u></u>

The accompanying notes are an integral part of these consolidated and entity financial statements.

The Stock Exchange of Thailand and its Subsidiaries
 Statements of Changes in Fund Balances
 For the years ended 31 December 2012 and 2011

(Unit : Baht*000)

	Consolidated										
	Securities Clearing Reserve Fund	Clearing and Settlement of Derivatives Market Reserve Fund	Indemnity Fund	SET Building Construction Fund	Staff Welfare Fund	Securities Investor Protection Fund	General Fund	Unrealised gain (loss) on available- for-sale securities	Fund balances	Non- controlling interests	Total fund balances
Note	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund	Fund
Opening balance as at 1 January 2011	2,000,000	300,000	100,000	15,424	96,203	373,410	13,328,278	905,430	17,118,745	2	17,118,747
Adjustment for SET building construction expenses	-	-	-	(7,315)	-	-	7,315	-	-	-	-
Total comprehensive revenues and expenses	23	-	-	-	1,720	12,255	1,094,575	(359,381)	749,169	-	749,169
Closing balance as at 31 December 2011	<u>2,000,000</u>	<u>300,000</u>	<u>100,000</u>	<u>8,109</u>	<u>97,923</u>	<u>385,665</u>	<u>14,430,168</u>	<u>546,049</u>	<u>17,867,914</u>	<u>2</u>	<u>17,867,916</u>
Opening balance as at 1 January 2012	2,000,000	300,000	100,000	8,109	97,923	385,665	14,430,168	546,049	17,867,914	2	17,867,916
Adjustment for SET building construction expenses	-	-	-	(340)	-	-	340	-	-	-	-
Total comprehensive revenues and expenses	23	-	-	-	1,990	20,765	1,346,160	247,720	1,616,635	-	1,616,635
Closing balance as at 31 December 2012	<u>2,000,000</u>	<u>300,000</u>	<u>100,000</u>	<u>7,769</u>	<u>99,913</u>	<u>406,430</u>	<u>15,776,668</u>	<u>793,769</u>	<u>19,484,549</u>	<u>2</u>	<u>19,484,551</u>

The accompanying notes are an integral part of these consolidated and entity financial statements.

The Stock Exchange of Thailand and its Subsidiaries
 Statements of Changes in Fund Balances (cont.)
 For the years ended 31 December 2012 and 2011

(Unit : Baht'000)

	SET								Total fund balances
	Securities Clearing Reserve Fund	Clearing and Settlement of Derivatives Market Reserve Fund	Indemnity Fund	SET Building Construction Fund	Staff Welfare Fund	Securities Investor Protection Fund	General Fund	Unrealised gain (loss) on available- for-sale securities	
Note									
Opening balance as at 1 January 2011	2,000,000	300,000	100,000	15,424	96,203	373,410	12,876,768	913,491	16,675,296
Adjustment for SET building construction expenses	-	-	-	(7,315)	-	-	7,315	-	-
Total comprehensive revenues and expenses	23	-	-	-	1,720	12,255	852,065	(358,870)	507,170
Closing balance as at 31 December 2011	<u>2,000,000</u>	<u>300,000</u>	<u>100,000</u>	<u>8,109</u>	<u>97,923</u>	<u>385,665</u>	<u>13,736,148</u>	<u>554,621</u>	<u>17,182,466</u>
Opening balance as at 1 January 2012	2,000,000	300,000	100,000	8,109	97,923	385,665	13,736,148	554,621	17,182,466
Adjustment for SET building construction expenses	-	-	-	(340)	-	-	340	-	-
Total comprehensive revenues and expenses	23	-	-	-	1,990	20,765	1,222,867	247,086	1,492,708
Closing balance as at 31 December 2012	<u>2,000,000</u>	<u>300,000</u>	<u>100,000</u>	<u>7,769</u>	<u>99,913</u>	<u>406,430</u>	<u>14,959,355</u>	<u>801,707</u>	<u>18,675,174</u>

The accompanying notes are an integral part of these consolidated and entity financial statements.

The Stock Exchange of Thailand and its Subsidiaries
Statements of Cash Flows
For the years ended 31 December 2012 and 2011

	Notes	(Unit : Baht'000)			
		Consolidated		SET	
		2012	2011	2012	2011
Cash flows from operating activities					
Revenues over expenses before income tax		1,488,587	1,267,343	1,238,940	867,153
Adjustments for :					
Depreciation and amortisation	15, 16	184,670	194,830	180,852	187,227
Investment income, net	25	(958,488)	(752,252)	(1,233,072)	(861,765)
Income derived from Securities Investor Protection Fund, net	23	(14,083)	(13,368)	(14,083)	(13,368)
Impairment losses of investments (reversal)		(17,866)	164	(17,866)	164
Doubtful debts expenses (reversal)		574	(1)	1,066	(1)
Provisions for employee benefits		23,003	42,152	23,003	42,152
Adjust work in process to expenses (revenues)		(2,365)	2,819	(2,337)	2,819
Gain on disposals of assets		(812)	-	(621)	-
Loss from written off assets		-	5,583	-	5,527
Share of profit of investments in jointly-controlled entity (net of income tax)	12	(26,432)	(19,990)	-	-
Share of profit of investments in associates (net of income tax)	13	(2,010)	(3,535)	-	-
		674,778	723,745	175,882	229,908
Changes in operating assets and liabilities					
(Increase) decrease in operating assets					
Assets for margin deposits and benefits		(757,055)	(2,441,003)	-	-
Accounts receivable and accrued income		(80,434)	(1,455)	151,024	(175,497)
Other current assets		(130,592)	(61,100)	90,425	(68,296)
Assets for clearing system protection and benefits		(177,125)	(314,263)	(4,171)	(2,764)
Securities Investor Protection Fund		(32,836)	(18,460)	(32,836)	(18,460)
Refundable deposits		340	3,754	340	3,754
Margin deposits and benefits payables		757,055	2,441,003	-	-
Accounts payable and accrued expenses		163,109	(91,684)	157,553	(93,597)
Fees received in advance		(2,491)	(9,636)	(14,646)	33,306
Other current liabilities		185,768	80,664	(59,245)	141,934
Assets for clearing system protection and benefits payables		172,954	311,499	-	-
Contributions and benefits to Securities Investor Protection Fund		12,499	7,373	12,499	7,373
Employee benefits paid	21	(5,826)	(13,468)	(5,826)	(13,468)
Other non-current liabilities		(4,247)	(4,530)	(4,247)	(4,530)
Cash flows generated from operating activities		775,897	612,439	466,752	39,663
Income tax paid		(154,843)	(100,257)	-	-
Net cash generated from operating activities		621,054	512,182	466,752	39,663

The accompanying notes are an integral part of these consolidated and entity financial statements.

The Stock Exchange of Thailand and its Subsidiaries
Statements of Cash Flows (cont.)
For the years ended 31 December 2012 and 2011

	Notes	(Unit : Baht'000)			
		Consolidated		SET	
		2012	2011	2012	2011
Cash flows from investing activities					
Investment income received		590,171	394,295	553,587	374,965
Dividend received		336,611	303,650	662,185	448,266
Purchase of short-term investments	8	(4,751,182)	(6,765,832)	(4,463,450)	(4,739,395)
Sale of short-term investments	8	4,377,279	4,671,474	3,275,047	4,340,541
Purchase of long-term investments	14	(1,769,618)	(1,975,736)	(1,728,418)	(1,975,716)
Sale of long-term investments	14	1,600,360	2,883,149	1,600,360	1,588,673
Purchase of property, plant and equipment		(132,938)	(85,108)	(132,938)	(85,108)
Sale of property, plant and equipment		12,299	2,244	11,452	2,244
Purchase of intangible assets		(168,754)	(101,560)	(168,754)	(101,560)
Proceeds from share of profit of investments in jointly-controlled entity		10,000	10,437	-	-
Benefits received from Securities Investor Protection Fund		13,655	12,200	13,655	12,200
Net cash generated from (used in) investing activities		117,883	(650,787)	(377,274)	(134,890)
Cash flows from financing activities					
Cash inflow on short-term borrowings from subsidiaries	6	-	-	561,000	29,000
Repayment of short-term borrowings from subsidiaries	6	-	-	(85,000)	-
Interest paid		-	-	(17,592)	(11,573)
Net cash generated from financing activities		-	-	458,408	17,427
Net increase (decrease) in cash and cash equivalents		738,937	(138,605)	547,886	(77,800)
Cash and cash equivalents at the beginning of the years		364,643	503,248	221,981	299,781
Cash and cash equivalents at the end of the years		1,103,580	364,643	769,867	221,981
Supplemental disclosures of cash flows information					
Cash and cash equivalents are as follows:					
Cash and cash equivalents	7	1,045,674	364,643	769,867	221,981
Cash at a bank for financial benefits payables		57,906	-	-	-
		1,103,580	364,643	769,867	221,981
Significant non-cash transactions					
Unrealised gain (loss) on available-for-sale securities		247,720	(359,381)	247,086	(358,870)
Unrealised gains (loss) on available-for-sale securities from Securities Investor Protection Fund		6,682	(1,113)	6,682	(1,113)
Other payables from purchase of assets		19,976	30,513	19,976	30,513
Provision for employee benefit		43	-	43	-
Reclassify investments from long-term to short-term		310,017	1,022,475	297,007	947,207

The accompanying notes are an integral part of these consolidated and entity financial statements.

The Stock Exchange of Thailand and its Subsidiaries
Notes to the Consolidated and Entity Financial Statements
For the years ended 31 December 2012 and 2011

1 General information

The Stock Exchange of Thailand (SET) is a juristic entity incorporated in Thailand under the Securities Exchange of Thailand Act B.E. 2517. The principal business activities of the SET are serving as the market or the centre for trading of securities and providing related services without the objective of distribution of profit to members. The SET commenced its trading of securities on 30 April 1975 and operates under the framework of the Securities Exchange of Thailand Act B.E. 2535. Its registered office is located at 62 Rachadaphisek Road, Kwang Klongtoey, Khet Klongtoey, Bangkok 10110, Thailand.

For reporting purposes, the SET and its subsidiaries are referred to as the Group.

The principal activities of SET and its subsidiaries are summarised as follows:

- 1) Securities markets comprise the operation of securities listing, trading system, clearing and settlement, depository, including supervision and monitoring of securities trading activities, listed companies and member companies.
- 2) Derivatives markets comprise the operation of trading and clearing of futures contracts and financial securities, providing other services related to futures trading transactions.
- 3) Technology services comprise the operation of internet trading platform for securities and derivatives, information services and other member services.
- 4) Registrar services comprise the operation of securities registrar and fund registrar.

The consolidated and entity financial statements were authorised for issue by the Board of Governors of the Stock Exchange of Thailand on 20 February 2013.

Details of the SET's subsidiaries, associates and jointly-controlled entity as at 31 December 2012 and 2011 are as follows:

Name of entity	Type of business	Country of incorporation	Ownership interest %	
			2012	2011
Direct subsidiaries				
Thailand Securities Depository Co., Ltd.	Securities depository and registrar services	Thailand	99.99	99.99
Thai Trust Fund Management Co., Ltd. (1)	Mutual fund management	Thailand	99.99	99.99
Thai NVDR Co., Ltd.	Investment management in Non-Voting Depository Receipts	Thailand	99.99	99.99
SETTRADE.COM Co., Ltd.	Computer system services	Thailand	99.99	99.99
Siam DR Co., Ltd. (2)	Investment management in Depository Receipts	Thailand	99.99	99.99
Thailand Futures Exchange Public Company Limited (3)	Futures exchange centre	Thailand	99.99	99.99
Thailand Clearing House Co., Ltd.	Clearing house and related back-office services for securities and futures contracts	Thailand	99.99	99.99
Jointly-controlled entity				
Family Know-how Co., Ltd.	Provision of services and advice in respect of media production related to finance and investment	Thailand	49.99	49.99
Associates				
Clearing Fund (4)	Fund	Thailand	16.56	17.71
TSFC Securities Public Company Limited	Granting of credit to businesses involved with securities and securities borrowing and lending	Thailand	24.66	24.66

1 General information (cont.)

Details of the SET's subsidiaries, associates and jointly-controlled entity as at 31 December 2012 and 2011 are as follows: (cont.)

(1) Thai Trust Fund Management Company Limited

As at 31 December 2012, Thai Trust Fund Management Company Limited ("TTF") has outstanding 3 mutual fund balances issued by TTF (2011 : 5 mutual funds). On 30 November 2011, the TTF's Board of Directors approved the principal of withdrawal of funds issued by TTF, including various operations relating to the cancellation of TTF. In addition, the Boards delegated authority to the management to consider the dissolution of TTF. However, the operations related to the cancellation of the mutual fund depend on various factors such as the approval from SEC on the exemption criteria. Therefore, Thai Trust Fund Management Company Limited prepared the financial statements as at 31 December 2012 by using the going concern basis.

(2) Siam DR Company Limited

During 2011, all issued Depositary Receipts (DRs) were redeemed since they met the conditions for the redemption of shares as mentioned in the terms of the rights and duties of DRs of ordinary shares and convertible debentures. As a result, the SIAM DR Company Limited ("SDR") does not have any securities outstanding.

On 22 October 2012, the management of SDR agreed in principle to dissolve the SDR and delegated authority to the management to consider the dissolution of the SDR. However, the operations relating to the dissolution depend on various factors. Therefore, the SIAM DR Company Limited prepared the financial statements as at 31 December 2012 by using the going concern basis.

(3) Thailand Futures Exchange Public Company Limited

On 4 April 2012, the Board of Directors of the Thailand Futures Exchange Public Company Limited (TFEX) approved an appropriation of Baht 100 million as an initial fund for the establishment of the Derivatives Investor Protection Fund ("DIPF"), which Baht 50 million is from the TFEX and not exceeding Baht 50 million is from the cumulative fees collected from the members.

The DIPF was formally established under the DIPF regulations on 15 November 2012. The objective of the fund is to protect derivative investors through the members of the DIPF. As at 31 December 2012, the DIPF had 37 members.

The assets of the DIPF consist of the initial fund from the TFEX, the membership entrance fees, the cumulative fees collected from the members, and the benefits generated from the DIPF assets, after deducting the fund's operating expenses. The initial fund from the TFEX and the membership entrance fees will be charged from 2013 onwards.

(4) Clearing Fund

The SET has no control over the Clearing Fund's operations, but has influences in policy and operation. The Clearing Fund operates under the Regulations of the Clearing Fund (No. 1) B.E. 2541, which require that a one-time payment of Baht 100 million be made as an initial contribution by the SET. The ownership interest percentage will be reduced based on further contributions made by other members of the Clearing Fund in the future. Therefore, the investment in the Clearing Fund is classified as investment in an associate.

2 Accounting policies

2.1 Basis of preparation

The consolidated and entity financial statements have been prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Financial Reporting Standards issued under the Accounting Profession Act B.E. 2547.

The consolidated and entity financial statements have been prepared under the historical cost convention except as disclosed in the accounting policy for investments below.

The preparation of financial statements in conformity with Thai generally accepted accounting principles requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated and entity financial statements are disclosed in Note 4.

An English version of the consolidated and entity financial statements has been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

2.2 New accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards and financial reporting standards

New accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards and financial reporting standards that are not yet effective and have not been early adopted by the Group:

Effective for the periods beginning on or after 1 January 2013

TAS 12	Income taxes
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (Revised 2009)	The Effects of Changes in Foreign Exchange Rates
TFRS 8	Operating Segments
TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its shareholders

Effective for the periods beginning on or after 1 January 2014

TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TSIC 29	Service Concession Arrangements: Disclosure

The Group's management has determined that these new accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards and financial reporting standards will not have a significant impact on the financial statements being presented, except for the significant accounting standards that have an impact as follows:

- TAS 8 The standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The Group will apply this standard from 1 January 2013. The expected impact is still being assessed in detail by management, but it appears likely that the number of reportable segments, as well as the manner in which the segments are reported, will change in a manner that is consistent with the internal reporting provided to the Chief Operating Decision-Maker.

2 Accounting policies (cont.)

2.2 New accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards and financial reporting standards (cont.)

The Group's management has determined that these new accounting standards, new financial reporting standards, new interpretation and amendments to accounting standards and financial reporting standards will not have a significant impact on the financial statements being presented, except for the significant accounting standards that have an impact as follow: (cont.)

- TAS 12 deals only with taxes on income, comprising current and deferred tax. Current tax expense for a period is based on the taxable and deductible amounts that will be shown on the tax return for the current year. Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the statement of financial position date. Deferred tax accounting is based on the temporary differences between the tax base of an asset or liability and its carrying amount in the financial statements.

2.3 Investment in subsidiaries, jointly-controlled entity and associates

2.3.1 Subsidiaries

Subsidiaries are all the entities over which the SET has the power to govern the financial and operating policies. Subsidiaries are consolidated from the date on which control is transferred to the SET and are no longer consolidated from the date on which that control ceases.

All related party transactions, balances and unrealised gains and losses on transactions between the SET and its subsidiaries have been eliminated.

In the SET's financial statements, investments in subsidiaries are accounted for using the cost method. Under the cost method, income from investments in subsidiaries will be recorded when dividends are declared.

2.3.2 Jointly-controlled entity

The interest in a jointly controlled entity is accounted for using the equity method in the consolidated and the cost method in the entity financial statements.

2.3.3 Associates

Associates are the entities which the SET influences, but does not control. In the consolidated financial statements, investments in associates are initially recognised at cost and are subsequently accounted for using the equity method of accounting.

The SET's share of its associates' post-acquisition profits or losses is recognised in the statements of comprehensive revenues and expenses. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the SET's share of losses in associates equal or exceed its interest in the associate, the SET does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the SET and its associates are eliminated to the extent of the SET's interest in the associates. Unrealised losses on transactions are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

In the entity's financial statements, investment in associates are accounted for using the cost method.

Allowance, if any, is recorded for impairment in investment in subsidiaries, jointly-controlled entity and associates in the statements of comprehensive revenues and expenses.

A list of the SET's principal subsidiaries, jointly-controlled entity and associates is provided in Note 1.

2 Accounting policies (cont.)

2.4 Foreign currencies

Items included in an entity's the financial statements of each of the Group's entities are measured using Thai Baht. The consolidated financial statements are presented in Thai Baht.

Foreign currency transactions are translated into Thai Baht using the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated to Thai Baht at the exchange rate prevailing at the statement of financial position date. Gains and losses resulting from the settlement of foreign currency transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the statement of comprehensive revenues and expenses.

Translation differences on investments in debt securities and other monetary financial assets measured at fair value are included in foreign exchange gains and losses. Translation differences on non-monetary items such as investments in equity securities held for trading are reported as part of the fair value gain or loss. Translation differences on available-for-sale investments in equity securities are included in the revaluation reserve in fund balance.

2.5 Underlying assets

Underlying assets are the financial assets carried by Thai NVDR Co., Ltd. and Siam DR Co., Ltd. (subsidiaries). The financial liabilities are the Non-Voting Depository Receipts (NVDRs) and Depository Receipts (DRs). The subsidiaries will offset the financial assets and financial liabilities, and show the net amount in the financial statements. According to the regulations and conditions in the prospectus the subsidiaries are responsible for issuing and selling NVDRs or DRs and making investments in listed companies in the Stock Exchange of Thailand at the same amount and in the same period (back to back). The subsidiaries who are the holders will then receive financial benefits and will be responsible for paying all such financial benefits on to the investors in the NVDRs or DRs. These benefits are not recognised as revenue or expense of the subsidiaries.

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, call deposits (excluding deposits held to maturities), other short-term highly liquid investments held for working capital and short-term commitment payment purposes with maturities from acquisition date of three months or less.

2.7 Investments

Investments other than investments in subsidiaries, associates and jointly-controlled entity are classified into the following four categories: (1) trading investments; (2) held-to-maturity investments; (3) available-for-sale investments; and (4) general investments. The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

- (1) Investments that are acquired principally for the purpose of generating a profit from short-term fluctuations in price are classified as trading investments and included in current assets.
- (2) Investments with fixed maturity that the management has the intent and ability to hold to maturity are classified as held-to-maturity and are included in non-current assets, except for maturities within 12 months from the statement of financial position date which are classified as current assets.
- (3) Investments intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates, are classified as available-for-sale; and are included in non-current assets unless management has expressed the intention of holding the investment for less than 12 months from the statement of financial position date or unless they will need to be sold to raise operating capital, in which case they are included in current assets.
- (4) Investments in non-marketable equity securities are classified as general investments.

2 Accounting policies (cont.)

2.7 Investments (cont.)

All categories of investment are initially recognised at cost, which is equal to the fair value of consideration paid plus transaction cost.

Trading investments and available for sale investments are subsequently measured at fair value. The fair value of investments is based on quoted bid price at the close of business on the statement of financial position date by reference to the Stock Exchange of Thailand and the Thai Bond Dealing Centre. The unrealised gains and losses of trading investments are recognised in the statement of comprehensive revenue and expense. The unrealised gains and losses of available for sale investments are recognised in fund balances.

Held-to-maturity investments are carried at amortised cost using the effective yield method less impairment loss.

General investments are carried at cost less impairment loss.

A test for impairment is carried out when there is a factor indicating that an investment might be impaired. If the carrying value of the investment is higher than its recoverable amount, impairment loss is charged to the statement of comprehensive revenues and expenses.

On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to the profit or loss. When disposing of part of the Group's holding of a particular investment in debt or equity securities, the carrying amount of the disposed part is determined by the weighted average carrying amount of the total holding of the investment.

2.8 Accounts receivable and accrued income

Accounts receivable and accrued income are carried at original invoice amount less allowance for doubtful accounts.

The allowance for doubtful accounts is assessed primarily on analysis of payment histories and future expectations of customer payments, assessment of the future cash flows, known and identified instances of default and consideration of market trends. Bad debts are written off when incurred and recognised as part of other expenses in the statement of comprehensive revenues and expenses.

2.9 Property, plant and equipment

Land is stated at cost less impairment losses. Property and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation is charged to the statement of comprehensive revenues and expenses on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, except for land which is considered to have an unlimited useful life. The estimated useful lives are as follows:

Land improvements	5 years
Buildings	10 - 30 years
Building improvements	3 - 30 years
Furniture and fixtures	5 - 20 years
Office equipment	5 - 10 years
Vehicles	5 - 7 years

Management determines the estimated useful lives and residual values for the Group's property and equipment. Management will appropriately revise the residual values and useful lives of assets when the residual values and useful lives differ from previous estimations, or it will write-off technically obsolete assets or assets which have been sold or abandoned.

2 Accounting policies (cont.)

2.9 Property, plant and equipment (cont.)

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Repair and maintenance expenses are charged to the statement of comprehensive revenues and expenses during the financial period in which they are incurred. The cost of major renovation is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful lives of the related assets.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are included in the statement of comprehensive revenues and expenses.

2.10 Intangible assets

Intangible assets, computer software, that are acquired by the Group, which have finite useful lives, are recognised at cost less accumulated amortisation and impairment losses. Intangible assets are amortised in the statement of comprehensive revenues and expenses on a straight-line basis over their estimated useful lives from the date that they are available for use. The estimated useful lives are 5 - 10 years

Costs associated with developing or maintaining computer software are recognised as expenses as incurred in the statement of comprehensive revenues and expenses. Costs that are directly associated with identifiable and unique software products controlled by the Group and have probable economic benefits exceeding the cost beyond one year are recognised as intangible assets. Direct costs include the purchase price and an appropriate portion of relevant overheads to allow such asset to be ready for its intended use. Expenditure which is incurred to enhance or extend the performance of computer software beyond its original specifications is recognised as an intangible asset.

Management determines the estimated useful lives of intangible assets. Management will revise the amortisation charge where useful lives differ from the previous estimations or it will write-off technically obsolete assets or assets which have been sold or abandoned.

2.11 Impairment

Assets that have an indefinite useful life, for example goodwill, are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

2.12 Interest-bearing liabilities

Interest-bearing liabilities are recognised initially at fair value less attributable transaction charges. Subsequent to initial recognition, interest-bearing liabilities are stated at amortised cost with any difference between cost and redemption value being recognised in the statement of comprehensive revenues and expenses over the period of the borrowings on an effective interest basis.

2.13 Trade and other accounts payable

Trade and other accounts payable are stated at cost.

2 Accounting policies (cont.)

2.14 Employee benefits

Defined contribution plans

The Group participates in a provident fund, which is a defined contribution plan, the assets for which are held in a separate trustee-administered fund and are managed by a licensed Fund Manager. The provident fund is funded by payments from employees and by the Group. The Group's contributions to the provident fund are charged to the statement of comprehensive revenues and expenses in the year to which they are related.

Defined benefit plans

The Group provides for post employment retirement benefits, payable to employees under the labour laws applicable in Thailand. The liability in respect of employee benefits is measured, using the corridor method which is calculated by an independent actuary in accordance with the actuarial technique. The present value of the defined benefit obligation is determined by discounting estimated future cash flows using the yield on government bonds which have terms to maturity approximating the terms of the related liability. The estimated future cash flows shall reflect employee salaries, turnover rate, mortality rate, length of service and other factors. Actuarial gains or losses will be recognised as income or expense in the statement of comprehensive revenues and expenses if the net cumulative unrecognised actuarial gain and losses at the end of the previous reporting period exceeding the greater of 10% of the present value of the defined benefit obligation at that date (before deducting plan assets) and 10% of the future value of the plan assets at that date.

In determining the appropriate discount rate, the Group considers the interest rates in which the benefits will be paid to the staff.

Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without the possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

2.15 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Where the Group expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

Provisions are recognised in the period in which the Group becomes legally or constructively committed to payment. Costs relating to the ongoing activities are not classified as provisions.

2 Accounting policies (cont.)

2.16 Lease-where a Group is the lessee

Leases of assets under which all the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases.

Payments made under operating leases are recognised in the statement of comprehensive revenues and expenses on a straight-line basis over the term of the lease. Lease incentives granted are recognised in the statement of comprehensive revenues and expenses as an integral part of the total rental income. Contingent rentals are charged to the statement of comprehensive revenues and expenses for the accounting period in which they are incurred.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2.17 Revenue

Revenue excludes value added taxes.

Service income is recognised upon performance of services.

Where there are long-outstanding receivables from listing fee and registrar fee collection over three months, the Group considers the collectability of the receivables as doubtful and ceases revenue recognition on fees of related companies immediately.

Membership fees comprise initial and annual fees. The initial fees are recognised as revenue on a straight-line basis over a period of five years starting from the first day on which the service is rendered. Annual fees are recognised upon performance of services.

Interest income is recognised on a time proportion basis, taking into account the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Group.

Dividend income is recognised in the statement of comprehensive revenues and expenses when the Group's right to receive payment is established.

Other income is recognised when the right to receive cash is established.

2.18 Directors' remuneration

Directors' remuneration comprises the benefits paid to the Board of Governors of the SET and the Board of Directors of subsidiaries including benefits received by the members of sub-committees (excluding salaries, bonus and related benefits payable to management).

2.19 Income tax

The Subsidiaries in the Group calculates income tax in accordance with the Revenue Code and records income tax on an accrual basis. The Subsidiaries in the Group do not recognise income taxes payable or receivable in future periods in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

3 Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and cash flow interest rate risk), credit risk, liquidity risk and risk from investments and deposits. The Group's financial risk management programme focuses on investment management under investment policies and strategic asset allocation which is approved by the SET's Board of Governors and subsidiaries' Board of Director. The investment committees is strictly established to oversee the investment in compliance with the policies and strategic asset allocation defined. The investment policy aims on maintaining stability of the principal, while receiving the appropriate level of return.

3.1 Foreign exchange risk

The Group has no significant exposure to foreign currency risk relates due to its accounts receivable and accounts payable are mainly made in Thai Baht. The Group does not use any derivative financial instruments to hedge foreign currency exposure.

3.2 Interest rate risk

Interest rate risk arises from fluctuations in market interest rates which may affect the Group's operating results and cash flow. The Group has no significant interest rate risk. The market interest rate at the time of transaction and trend of the interest rate in the following year will be considered when the borrowing transaction is initiated. The Group does not have interest rate derivative in order to manage fluctuation of the interest rate.

3.3 Credit risk

The Group has no significant concentrations of credit risk. The Group has appropriate policies in place to ensure that Group sell products and provide services to customers who have appropriate credit history.

3.4 Liquidity risk

The Group has significant exposure to liquidity risk as the Group has sufficient cash to support its operations. The Group aims on maintaining flexibility of funding by using internal capital of the Group.

3.5 Risk from investments and deposits

The Group is exposed to market risks as the investor of financial instruments, and credit risk from the issuer of financial instruments. The Group, therefore, has a policy of diversifying its investments and deposits to high credit financial institutions according to the investment policy prescribed by the resolution of the investment committee.

3 Financial risk management (cont.)

Financial risk factors (cont.)

3.5 Risk from investments and deposits (cont.)

The investment policies framework regarding types and proportion of investments are as follows:

1) Investments in debt securities

Type of investment	Proportion of total investment
Government securities, debentures or bonds of state enterprises or entities incorporated by specific laws and guaranteed by the Ministry of Finance	Unlimited
Fixed deposits or NCDs at commercial banks and promissory notes of finance companies or financial institutions incorporated by specific laws	Not to exceed 15% per institution
Debentures or warrants of debentures and bills of exchange	Not to exceed 5% per issuer
Investment units or warrants of investment units in mutual funds invested in debt securities	Not to exceed 10% per mutual fund

2) Investments in equity securities

Type of investment	Proportion of total investment
Investment units or warrants of investment units in mutual funds invested in equity securities	Not to exceed 10% per mutual fund

3) Investments in property funds

Type of investment	Proportion of total investment
Property funds	Not to exceed 10% of project value, and amount not to exceed 2% of total investments

4) Investments in foreign investment funds

Type of investment	Proportion of total investment
Foreign investment funds	Not to exceed 3% of total investments

Investments in each asset management company should not exceed 40% of total investments.

4 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

5 Capital risk management

The Group's objectives when managing capital are to safeguard the Subsidiaries in the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to increase investor and stakeholder confidence.

In order to maintain or adjust the capital structure, the Subsidiaries in the Group may adjust the amount of dividends paid to shareholders depending on their operating performance.

6 Related party transactions

Related parties are those parties linked to the Group. Transactions with related parties are conducted at prices based on market prices or at contractually agreed prices where no market price exists.

The pricing policies for particular types of transactions are explained below:

Transaction	Pricing policy
Service income	Contractually agreed price
Purchase of services	Cost plus margin
Interest expense	With reference to the deposit rate of financial institutions

Related party transactions for the years ended 31 December 2012 and 2011 were as follows:

	(Unit : Baht'000)			
	Consolidated		SET	
	2012	2011	2012	2011
Service income				
Subsidiaries	-	-	1,376,203	1,380,562
Jointly-controlled entity	13,560	13,305	13,542	13,285
Associates	1,128	949	-	-
	<u>14,688</u>	<u>14,254</u>	<u>1,389,745</u>	<u>1,393,847</u>
Purchase of services				
Subsidiaries	-	-	1,881	1,886
Jointly-controlled entity	168,952	168,232	168,952	168,232
	<u>168,952</u>	<u>168,232</u>	<u>170,833</u>	<u>170,118</u>
Interest income				
Subsidiaries	-	-	4,491	3,076
Jointly-controlled entity	-	711	-	711
	<u>-</u>	<u>711</u>	<u>4,491</u>	<u>3,787</u>
Interest expense				
Subsidiaries	-	-	17,591	11,177

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6 Related party transactions (cont.)

Related party balances as at 31 December 2012 and 2011 were as follows:

	(Unit : Baht'000)			
	Consolidated		SET	
	2012	2011	2012	2011
Accounts receivable				
Jointly-controlled entity	352	596	352	596
Accrued income				
Subsidiaries	-	-	163,563	343,481
Jointly-controlled entity	427	411	427	411
Associates	101	-	-	-
	<u>528</u>	<u>411</u>	<u>163,990</u>	<u>343,892</u>
Other current assets				
Subsidiaries	-	-	133	-
Jointly-controlled entity	96	17	5,969	4,459
	<u>96</u>	<u>17</u>	<u>6,102</u>	<u>4,459</u>
Payables and accrued expenses				
Payables				
Jointly-controlled entity	275	258	275	258
Accrued expenses				
Subsidiaries	-	-	163	158
Jointly-controlled entity	14,764	13,867	14,764	13,867
	<u>14,764</u>	<u>13,867</u>	<u>14,927</u>	<u>14,025</u>
	<u>15,039</u>	<u>14,125</u>	<u>15,202</u>	<u>14,283</u>
Other current liabilities				
Subsidiaries	<u>23</u>	<u>39</u>	<u>23</u>	<u>39</u>
Short-term borrowings from subsidiaries				
	Interest rate		(Unit : Baht'000)	
	(% per annum)		SET	
	2012	2011	2012	2011
Short-term borrowings from subsidiaries	2.50	2.00	<u>1,035,400</u>	<u>559,400</u>

The Group uses a policy to centrally manage its investments through the SET to maximise its efficiency and overall returns. Investments from subsidiaries represent loans in the form of one-year promissory notes, which bear interest at the rate for deposits set by financial institutions (the interest rate may be revised as appropriate).

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6 Related party transactions (cont.)

Related party balances as at 31 December 2012 and 2011 were as follows: (cont.)

Movements of short-term borrowings from subsidiaries for the years ended 31 December 2012 and 2011 were as follows:

	(Unit : Baht'000)	
	SET	
	2012	2011
Subsidiaries		
Opening balance	559,400	530,400
Additions	561,000	29,000
Repayments	(85,000)	-
Closing balance	<u>1,035,400</u>	<u>559,400</u>

Sponsorship for jointly-controlled entity

Under the shareholder agreement between the SET and a company, the SET will be a principal sponsor of a jointly-controlled entity's program by a limited amount not exceeding Baht 214 million per annum for a period of three years starting from 1 January 2010. The SET sold its entire assets in studio units to its jointly-controlled entity at the net book value as at 31 December 2009 and also offered a soft loan for payment for the assets for a period of two years exempting the repayment of principal for the first year. The loan bears interest at the average one-year fixed deposit rate of four major banks plus 2%. The principal portions of 25% and 75% will be due for repayment in the first and second years, respectively, from the date on which the jointly-controlled entity receives all of the studio units from the SET. As at 31 December 2011, the SET had received all loan amount.

Contributions to the Stock Exchange of Thailand Foundation

In 2006, the Board of Governors of the SET approved the establishment of the Stock Exchange of Thailand Foundation (SOF) and appointed the members of the Board of Governors as directors of the Board of the SOF. In addition, the Board of Governors of the SET approved the appropriation of one-third of annual revenues over expenses of the SET to the SOF for its social activities.

The SOF was registered and incorporated on 9 August 2006 with the objective of conducting activities for the development of society, communities and the environment. The SOF's activities focus on developing a vigorous Thai society and communities in order to prevent and resolve problems relating to addictive drugs and other problems affecting Thai youth and Thai society. In addition, the activities support projects and programmes relating to education.

For the year ended 31 December 2012, the SET appropriated its annual revenues over expenses of Baht 453.63 million (2011: Baht 358.94 million) to the SOF.

Directors' remuneration

The directors' remuneration represents director fees and compensation fees for the Group's board of directors and other sub-committees.

The directors' remuneration for the year ended 31 December 2012 amounted to Baht 19.61 million (2011: Baht 18.74 million).

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7 Cash and cash equivalents

	(Unit : Baht'000)			
	Consolidated		SET	
	2012	2011	2012	2011
Cash on hand	352	562	336	546
Savings and current accounts	740,983	318,931	490,294	221,435
Fixed deposit accounts	299,339	45,150	279,237	-
Bills of exchange	5,000	-	-	-
	<u>1,045,674</u>	<u>364,643</u>	<u>769,867</u>	<u>221,981</u>

For the year ended 31 December 2012, saving accounts carried the interest at rates ranging from 0.20% - 2.40% per annum (2011: from 0.125% - 1.90% per annum).

As at 31 December 2012, fixed deposit accounts at banks represented fixed deposit accounts at call that carried the interest at the rates ranging from 2.50% - 2.75% per annum (2011: from 2.50% - 3.20% per annum).

As at 31 December 2012, bills of exchange at financial institutions represented bills of exchange at call that carried the interest at the rate of 2.75% per annum (2011: nil).

8 Short-term investments, net

	Note	(Unit : Baht'000)			
		Consolidated		SET	
		2012	2011	2012	2011
Investments being managed by SET					
General investments		40,869	48,362	40,869	48,362
<u>Less</u> Allowance for impairment losses	14	(3,602)	(22,423)	(3,602)	(22,423)
		37,267	25,939	37,267	25,939
Trading securities		23	267,924	23	267,924
Held-to-maturity debt securities	14	4,997,134	6,855,074	4,960,114	6,162,314
		<u>5,034,424</u>	<u>7,148,937</u>	<u>4,997,404</u>	<u>6,456,177</u>
Investments being managed by private funds					
Held-to-maturity debt securities		803,544	1,069,150	803,544	1,031,815
Trading securities		1,437,715	1,234,591	1,437,715	1,126,176
		<u>2,241,259</u>	<u>2,303,741</u>	<u>2,241,259</u>	<u>2,157,991</u>
		<u>7,275,683</u>	<u>9,452,678</u>	<u>7,238,663</u>	<u>8,614,168</u>

Movements of short-term investments for the years ended 31 December 2012 and 2011 were as follows:

	(Unit : Baht'000)			
	Consolidated		SET	
	2012	2011	2012	2011
Opening balance	9,452,678	5,658,172	8,614,168	5,295,976
Purchases	4,751,182	6,765,832	4,463,450	4,739,395
Disposals	(4,377,279)	(4,671,474)	(3,275,047)	(4,340,541)
Reclassify from long-term investments	310,017	1,022,475	297,007	947,207
Adjustment	(2,879,736)	677,673	(2,879,736)	1,972,131
<u>Less</u> Allowance for impairment losses	18,821	-	18,821	-
Closing balance	<u>7,275,683</u>	<u>9,452,678</u>	<u>7,238,663</u>	<u>8,614,168</u>

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8 Short-term investments, net (cont.)

Investments managed by the SET

For the year ended 31 December 2012, there was no outstanding balance of savings account (2011: rates ranging from 0.25% - 0.87% per annum).

As at 31 December 2012, fixed deposit accounts represented fixed deposit accounts at banks which had maturities not over 12 months and carried interest at rates ranging from 3.00% - 4.50% per annum (2011: from 1.75% - 4.50% per annum).

As at 31 December 2012, there was no outstanding balance of bills of exchange at financial institutions that had maturities within one year (2011: rates ranging from 3.00% - 4.60% per annum).

For the year ended 31 December 2012, investment in a specific purpose fund represents investment in an open-ended fund (Note 14). The fund has an automatic redemption from the sixth year (2011) unless approval is obtained from the investment committee for redemption before the redemption restriction term.

As at 31 December 2012, investments in money market funds represent investments in one open-ended funds (2011: two open-ended funds). The investment policy emphasises investments in short-term debt securities.

As at 31 December 2012, government bonds, Bank of Thailand bonds, state enterprise bonds and debentures, which had coupon rates ranging from 3.05% - 5.50% per annum (2011: from 2.59% - 6.10% per annum) and market yields ranging from 2.78% - 3.36% per annum (2011: from 3.12% - 3.49% per annum).

Investments managed by private funds

Investments in private funds are managed by two asset management companies. The investment policy for private funds is subject to the SET's regulations on deposits at financial institutions and investment policies as disclosed in Note 3 - Financial risk management . The Group presented investments managed by private funds as short-term investments.

For the year ended 31 December 2012, the return rates for investments managed by private funds ranged from 3.88% - 3.91% per annum (2011: from 2.28% - 2.96% per annum).

9 Accounts receivable and accrued income, net

	Note	(Unit : Baht'000)			
		Consolidated		SET	
		2012	2011	2012	2011
Accounts receivable					
Related parties	6	352	596	352	596
Other parties		69,872	68,014	41,115	36,118
		70,224	68,610	41,467	36,714
<u>Less</u> Allowance for doubtful accounts		(19,806)	(19,232)	(9,718)	(8,652)
		50,418	49,378	31,749	28,062
Accrued income					
Related parties	6	528	411	163,990	343,892
Other parties		243,023	164,320	73,423	49,298
		243,551	164,731	237,413	393,190
		293,969	214,109	269,162	421,252

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9 Accounts receivable and accrued income, net (cont.)

Aging analysis for accounts receivable is as follows:

		(Unit : Baht'000)			
		Consolidated		SET	
Note		2012	2011	2012	2011
	Related parties				
	Within credit terms	205	596	205	596
	Overdue:				
	Less than 3 months	147	-	147	-
6		352	596	352	596
	Other parties				
	Within credit terms	33,566	36,679	17,178	21,703
	Overdue:				
	Less than 3 months	15,465	9,075	13,289	2,983
	3 - 6 months	1,296	2,098	1,155	1,851
	6 - 12 months	947	686	859	679
	Over 12 months	18,598	19,476	8,634	8,902
		69,872	68,014	41,115	36,118
	<u>Less</u> Allowance for doubtful accounts	(19,806)	(19,232)	(9,718)	(8,652)
		50,066	48,782	31,397	27,466
		50,418	49,378	31,749	28,062

The normal credit terms granted by the Group range from 15 days to 30 days.

10 Other current assets

		(Unit : Baht'000)			
		Consolidated		SET	
		2012	2011	2012	2011
	Refund for unallotted NVDRs	214,871	-	-	-
	Thai Stock Market Flood Relief Fund	120,015	179,906	120,015	179,906
	Loans to employees	44,220	45,994	44,220	45,994
	Dividend payable to unitholders	41,080	36,249	-	-
	Prepaid expenses	14,450	19,138	14,298	18,988
	Inventory - publication	3,901	3,766	3,901	3,766
	Dividend receivables	51	-	5,925	4,442
	Capital Market Academy Flood Relief Fund	-	26,222	-	26,222
	Others	14,667	4,793	5,353	3,293
		453,255	316,068	193,712	282,611

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11 Investments in subsidiaries

Investments in subsidiaries as at 31 December 2012 and 2011, and dividend income for the years then ended were as follows:

	Ownership interest %		(Unit : Baht'000)					
			SET					
			Paid-up capital		Cost method		Dividend income	
2012	2011	2012	2011	2012	2011	2012	2011	
Subsidiaries								
Thailand Securities Depository Co., Ltd.	99.99	99.99	200,000	200,000	200,000	200,000	190,000	72,000
Thai Trust Fund Management Co., Ltd.	99.99	99.99	100,000	100,000	100,000	100,000	-	-
Thai NVDR Co., Ltd.	99.99	99.99	10,000	10,000	10,000	10,000	-	-
SETTRADE.COM Co., Ltd.	99.99	99.99	80,000	80,000	74,591	74,591	58,799	20,400
Siam DR Co., Ltd.	99.99	99.99	10,000	10,000	10,000	10,000	-	-
Thailand Futures Exchange Public Company Limited	99.99	99.99	100,000	100,000	100,000	100,000	67,000	20,000
Thailand Clearing House Co., Ltd.	99.99	99.99	100,000	100,000	102,700	102,700	-	22,000
			<u>600,000</u>	<u>600,000</u>	<u>597,291</u>	<u>597,291</u>	<u>315,799</u>	<u>134,400</u>

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12 Investments in jointly-controlled entity, net

	(Unit : Baht'000)			
	Consolidated		SET	
	2012	2011	2012	2011
Jointly-controlled entity				
Opening balance	58,495	44,500	25,000	25,000
Dividend received	(14,442)	(10,437)	-	-
Dividend income	5,874	4,442	-	-
Share of net profit from investment under equity method	26,432	19,990	-	-
Closing balance	<u>76,359</u>	<u>58,495</u>	<u>25,000</u>	<u>25,000</u>

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12 Investments in jointly-controlled entity, net (cont.)

Investments in jointly-controlled entity as at 31 December 2012 and 2011, and dividend income for the years then ended were as follows:

		(Unit : Baht'000)							
		Consolidated							
Ownership interest		Paid-up capital		Equity method		Dividend income			
%									
2012	2011	2012	2011	2012	2011	2012	2011		
Jointly-controlled entity									
Family Know-how Co., Ltd.		49.99	49.99	50,000	50,000	76,359	58,495	5,874	4,442
		(Unit : Baht'000)							
		SET							
Ownership interest		Paid-up capital		Cost method		Dividend income			
%									
2012	2011	2012	2011	2012	2011	2012	2011		
Jointly-controlled entity									
Family Know-how Co., Ltd.		49.99	49.99	50,000	50,000	25,000	25,000	15,874	14,879

Details of the investments and rights to receive dividends are provided in Note 31.1.

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12 Investment in jointly-controlled entity, net (cont.)

The following summary of the financial information in respect of the interest in the jointly-controlled entity as at 31 December 2012 and 2011 and for the years then ended which has been accounted for using the equity method represents the Group's share:

	(Unit : Baht'000)	
	Consolidated	
	2012	2011
Current assets	127,727	131,274
Non-current assets	58,877	28,163
Total assets	<u>186,604</u>	<u>159,437</u>
Current liabilities	33,673	42,264
Non-current liabilities	6,062	4,620
Total liabilities	<u>39,735</u>	<u>46,884</u>
Total revenues	248,349	228,087
Total expenses	171,563	158,954
Total comprehensive income	58,758	44,421

13 Investment in associates, net

	(Unit : Baht'000)			
	Consolidated		SET	
	2012	2011	2012	2011
Associates				
Opening balance	495,307	492,327	396,605	396,769
Impairment losses	-	(164)	-	(164)
Share of profit from investments - recognised in statements of comprehensive revenues and expenses	2,010	3,535	-	-
Share of gain (loss) for investment - recognised in Statements of comprehensive revenues and expenses	590	(391)	-	-
Closing balance	<u>497,907</u>	<u>495,307</u>	<u>396,605</u>	<u>396,605</u>

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13 Investments in associates, net (cont.)

Investments in associates as at 31 December 2012 and 2011, and dividend income for the years then ended were as follows:

	(Unit : Baht'000)										
	Ownership interest %		Consolidated								
			Paid-up capital		Cost method, net		Equity method		Dividend income		
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	
Associates											
Clearing Fund	16.56	17.71	1,050,743	963,045	100,000	100,000	178,586	173,923	-	-	
TSFC Securities Public Company Limited	24.66	24.66	1,016,740	1,016,740	296,605	296,605	319,321	321,384	-	-	
					<u>396,605</u>	<u>396,605</u>	<u>497,907</u>	<u>495,307</u>	<u>-</u>	<u>-</u>	

	(Unit : Baht'000)											
	Ownership interest %		SET									
			Paid-up capital		Cost method		Impairment		At cost, net		Dividend income	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011		
Associates												
Clearing Fund	16.56	17.71	1,050,743	963,045	100,000	100,000	-	-	100,000	100,000	-	-
TSFC Securities Public Company Limited	24.66	24.66	1,016,740	1,016,740	300,000	300,000	-	(3,395)	296,605	296,605	-	-
					<u>400,000</u>	<u>400,000</u>	<u>-</u>	<u>(3,395)</u>	<u>396,605</u>	<u>396,605</u>	<u>-</u>	<u>-</u>

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14 Long-term investments, net

	(Unit : Baht'000)			
	Consolidated		SET	
	2012	2011	2012	2011
Available-for-sale investments	3,356,643	3,735,463	3,353,748	3,732,613
Held-to-maturity debt securities	4,893,100	1,527,718	4,846,900	1,509,708
General investments	68,187	68,641	68,187	68,641
<u>Less</u> Allowance for impairment losses	(3,405)	(2,450)	(3,405)	(2,450)
	<u>8,314,525</u>	<u>5,329,372</u>	<u>8,265,430</u>	<u>5,308,512</u>

As at 31 December 2012, fixed deposit accounts represented fixed deposits at banks which had maturities over one year and carried interest at rates ranging from 3.30% - 4.10% per annum (2011: from 2.25% - 3.75% per annum).

Cash at banks by M.O.U. is used as security for housing loans provided to employees of the Group by a bank under a Memorandum of Understanding.

As at 31 December 2012, investments in general mutual funds represented investments in 19 open-ended funds, which have a policy of emphasising investment in equity securities of listed companies (2011: 21 funds) and one debt fund (2011: one fund).

As at 31 December 2012, investments in property funds represented 9 closed-end mutual funds (2011: 9 funds). These funds were established for acquiring, leasing and transferring properties and/or their leasehold rights and providing for income-generating properties. All these property funds are listed and traded on the Stock Exchange of Thailand.

As at 31 December 2012, investments in foreign investment funds represented investments in 9 open-ended funds (2011: 7 funds). The Feeder Fund policy is to emphasise investment in foreign fund securities.

As at 31 December 2012, government bonds, Bank of Thailand bonds and debentures which had maturities over one year to nine years, coupon rates ranging from 3.00% - 5.19% per annum (2011: from 3.00% - 5.00% per annum) and market yields ranging from 3.02% - 4.93% per annum (2011: from 3.09% - 5.08% per annum).

As at 31 December 2012, investments in specific-purpose funds represented investments in 3 open-ended venture capital funds (2011: 3 open-ended venture capital funds). This investment is carried at cost under generally accepted accounting principles due to the redemption restriction for the first 5 years. The details are as follows:

- 1) In 2005, invested in an investment fund established by the government to strengthen and facilitate the recovery of businesses which suffered from the tsunami. The specific-purpose fund has a policy of investing in securities of businesses involved in the tourism industry that had been affected by the tsunami in the six southern provinces. The fund has an automatic redemption from the sixth year (2011) unless approval is obtained from the investment committee for redemption before the redemption restriction term. The investment portion that was redeemed in 2011 is presented as short-term investments (Note 8).
- 2) In 2007, invested in a non-retail fund, which primarily invests directly in energy, alternative and renewable energy firms and businesses that support the government's energy policies. The fund is an open-ended fund and has an automatic redemption from the sixth year (2013) when the fund disposes of its assets, and then no further re-investment.
- 3) In 2008, invested in a non-retail fund which primarily invests directly in businesses and industries which have potential growth the majority of which was long-term investment. The fund has an automatic redemption from the fourth year (2012).

The specific-purpose investments in 2) and 3) have a commitment subscription for additional investment until the end of the contract (Note 30).

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14 Long-term investments, net (cont.)

Movements of long-term investments for the years ended 31 December 2012 and 2011 were as follows:

	(Unit : Baht'000)			
	Consolidated		SET	
	2012	2011	2012	2011
Opening balance	5,329,372	8,295,915	5,308,512	8,199,677
Purchases	1,769,618	1,975,736	1,728,418	1,975,716
Disposals	(1,600,360)	(2,883,149)	(1,600,360)	(1,588,673)
Reclassify to short-term investments	(310,017)	(1,022,475)	(297,007)	(947,207)
Adjustment	2,879,147	(677,274)	2,879,736	(1,972,131)
Unrealised gain (loss) on available-for-sale securities	247,720	(359,381)	247,086	(358,870)
<u>Less</u> Allowance for impairment losses	(955)	-	(955)	-
Closing balance	<u>8,314,525</u>	<u>5,329,372</u>	<u>8,265,430</u>	<u>5,308,512</u>

As at 31 December 2012 and 2011, held-to-maturity debt securities which were classified by maturity were as follows:

	(Unit : Baht'000)			
	Consolidated			Total
	Due			
Within 1 year	1 to 5 years	Over 5 years		
31 December 2012				
Held-to-maturity debt securities				
Government bonds	-	1,058	-	1,058
Bank of Thailand bonds	49,997	100,000	-	149,997
Debentures	410,010	553,203	211,908	1,175,121
Deposits at banks	4,537,127	4,026,931	-	8,564,058
	<u>4,997,134</u>	<u>4,681,192</u>	<u>211,908</u>	<u>9,890,234</u>
31 December 2011				
Held-to-maturity debt securities				
Government bonds	756,813	-	1,070	757,883
Bank of Thailand bonds	30,117	149,924	-	180,041
State enterprise bonds	50,082	-	-	50,082
Debentures	110,195	433,561	50,000	593,756
Deposits at banks and Bills of exchange	5,907,867	893,163	-	6,801,030
	<u>6,855,074</u>	<u>1,476,648</u>	<u>51,070</u>	<u>8,382,792</u>

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14 Long-term investments, net (cont.)

As at 31 December 2012 and 2011, held-to-maturity debt securities which were classified by maturity, were as follows: (cont.)

	(Unit : Baht'000)			
	SET			
	Due			
	Within 1 year	1 to 5 years	Over 5 years	Total
31 December 2012				
Held-to-maturity debt securities				
Government bonds	-	1,058	-	1,058
Bank of Thailand bonds	49,997	100,000	-	149,997
Debentures	397,010	553,203	211,908	1,162,121
Deposits at banks	4,513,107	3,980,731	-	8,493,838
	<u>4,960,114</u>	<u>4,634,992</u>	<u>211,908</u>	<u>9,807,014</u>
31 December 2011				
Held-to-maturity debt securities				
Government bonds	756,813	-	1,070	757,883
Bank of Thailand bonds	30,117	149,924	-	180,041
State enterprise bonds	50,082	-	-	50,082
Debentures	110,195	420,561	50,000	580,756
Deposits at banks and Bills of exchange	5,215,107	888,153	-	6,103,260
	<u>6,162,314</u>	<u>1,458,638</u>	<u>51,070</u>	<u>7,672,022</u>

As at 31 December 2012 and 2011, the fair value of held-to-maturity debt securities were as follows:

	(Unit : Baht'000)			
	Consolidated			
	Amortised cost, net		Fair value	
	2012	2011	2012	2011
Government bonds	1,058	757,883	1,078	770,984
Bank of Thailand bonds	149,997	180,041	157,079	187,379
State enterprise bonds	-	50,082	-	49,833
Debentures	1,175,121	593,756	1,186,502	597,954
Deposits at banks and Bills of exchange	8,564,058	6,801,030	8,564,058	6,801,030
	9,890,234	8,382,792	9,908,717	8,407,180
<u>Less</u> Reclassify to short-term investments	<u>(4,997,134)</u>	<u>(6,855,074)</u>	<u>(4,999,118)</u>	<u>(6,868,488)</u>
	<u>4,893,100</u>	<u>1,527,718</u>	<u>4,909,599</u>	<u>1,538,692</u>
(Unit : Baht'000)				
	SET			
	Amortised cost, net		Fair value	
	2012	2011	2012	2011
Government bonds	1,058	757,883	1,078	770,984
Bank of Thailand bonds	149,997	180,041	157,079	187,379
State enterprise bonds	-	50,082	-	49,833
Debentures	1,162,121	580,756	1,173,425	584,711
Deposits at banks and Bills of exchange	8,493,838	6,103,260	8,493,838	6,103,260
	9,807,014	7,672,022	9,825,420	7,696,167
<u>Less</u> Reclassify to short-term investments	<u>(4,960,114)</u>	<u>(6,162,314)</u>	<u>(4,962,020)</u>	<u>(6,175,728)</u>
	<u>4,846,900</u>	<u>1,509,708</u>	<u>4,863,400</u>	<u>1,520,439</u>

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14 Long-term investments, net (cont.)

As at 31 December 2012 and 2011, the fair value of investments in specific-purpose funds were as follows:

	(Unit : Baht'000)					
	Consolidated and SET					
	Cost		Fair value		Impairment	
	2012	2011	2012	2011	2012	2011
Investments in specific-purpose funds	96,720	104,667	91,277	93,641	(7,007)	(24,873)
<u>Less</u> Reclassify to short-term investments	(40,869)	(48,362)	(38,509)	(43,116)	3,602	22,423
	<u>55,851</u>	<u>56,305</u>	<u>52,768</u>	<u>50,525</u>	<u>(3,405)</u>	<u>(2,450)</u>

15 Property, plant and equipment, net

	(Unit : Baht'000)					
	Consolidated					
	Land and land improvements	Buildings and buildings improvements	Furniture, fixtures and office equipment	Motor vehicles	Work in process	Total
As at 1 January 2011						
Cost	1,015,585	1,700,914	895,559	3,151	34,129	3,649,338
<u>Less</u> Accumulated depreciation	(455)	(433,617)	(782,410)	(742)	-	(1,217,224)
Net book amount	<u>1,015,130</u>	<u>1,267,297</u>	<u>113,149</u>	<u>2,409</u>	<u>34,129</u>	<u>2,432,114</u>
For the year ended 31 December 2011						
Opening net book amount	1,015,130	1,267,297	113,149	2,409	34,129	2,432,114
Additions	-	20,352	54,961	2,679	33,321	111,313
Disposals/write-off	-	-	(6,583)	(1,191)	-	(7,774)
Transfers	-	22,814	17,195	-	(40,566)	(557)
Depreciation charge	(313)	(79,220)	(37,846)	(149)	-	(117,528)
Closing net book amount	<u>1,014,817</u>	<u>1,231,243</u>	<u>140,876</u>	<u>3,748</u>	<u>26,884</u>	<u>2,417,568</u>
As at 31 December 2011						
Cost	1,015,585	1,738,753	891,870	4,639	26,884	3,677,731
<u>Less</u> Accumulated depreciation	(768)	(507,510)	(750,994)	(891)	-	(1,260,163)
Net book amount	<u>1,014,817</u>	<u>1,231,243</u>	<u>140,876</u>	<u>3,748</u>	<u>26,884</u>	<u>2,417,568</u>
For the year ended 31 December 2012						
Opening net book amount	1,014,817	1,231,243	140,876	3,748	26,884	2,417,568
Additions	-	3,680	55,437	4,191	85,069	148,377
Disposals/write-off	(731)	-	(720)	(5,592)	-	(7,043)
Transfers	-	4,000	1,920	-	(5,920)	-
Depreciation charge	(64)	(71,361)	(39,198)	(199)	-	(110,822)
Adjustments	-	2,307	89	(62)	21	2,355
Closing net book amount	<u>1,014,022</u>	<u>1,169,869</u>	<u>158,404</u>	<u>2,086</u>	<u>106,054</u>	<u>2,450,435</u>
As at 31 December 2012						
Cost	1,014,022	1,746,413	893,264	3,238	106,054	3,762,991
<u>Less</u> Accumulated depreciation	-	(576,544)	(734,860)	(1,152)	-	(1,312,556)
Net book amount	<u>1,014,022</u>	<u>1,169,869</u>	<u>158,404</u>	<u>2,086</u>	<u>106,054</u>	<u>2,450,435</u>

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15 Property, plant and equipment, net (cont.)

(Unit : Baht'000)

	SET					Total
	Land and land improvements	Buildings and buildings improvements	Furniture, fixtures and office equipment	Motor vehicles	Work in process	
As at 1 January 2011						
Cost	1,015,585	1,699,196	754,977	3,151	34,129	3,507,038
<u>Less</u> Accumulated depreciation	(455)	(432,615)	(650,244)	(742)	-	(1,084,056)
Net book amount	<u>1,015,130</u>	<u>1,266,581</u>	<u>104,733</u>	<u>2,409</u>	<u>34,129</u>	<u>2,422,982</u>
For the year ended 31 December 2011						
Opening net book amount	1,015,130	1,266,581	104,733	2,409	34,129	2,422,982
Additions	-	20,352	54,961	2,679	33,321	111,313
Disposals/write-off	-	-	(6,527)	(1,191)	-	(7,718)
Transfers/Adjustments	-	22,814	17,195	-	(40,566)	(557)
Depreciation charge	(313)	(79,048)	(34,614)	(149)	-	(114,124)
Closing net book amount	<u>1,014,817</u>	<u>1,230,699</u>	<u>135,748</u>	<u>3,748</u>	<u>26,884</u>	<u>2,411,896</u>
As at 31 December 2011						
Cost	1,015,585	1,737,037	770,139	4,639	26,884	3,554,284
<u>Less</u> Accumulated depreciation	(768)	(506,338)	(634,391)	(891)	-	(1,142,388)
Net book amount	<u>1,014,817</u>	<u>1,230,699</u>	<u>135,748</u>	<u>3,748</u>	<u>26,884</u>	<u>2,411,896</u>
For the year ended 31 December 2012						
Opening net book amount	1,014,817	1,230,699	135,748	3,748	26,884	2,411,896
Additions	-	3,680	55,437	4,191	85,069	148,377
Disposals/write-off	(731)	-	(64)	(5,592)	-	(6,387)
Transfers	-	4,000	1,920	-	(5,920)	-
Depreciation charge	(64)	(71,298)	(37,131)	(199)	-	(108,692)
Adjustments	-	2,307	71	(62)	21	2,337
Closing net book amount	<u>1,014,022</u>	<u>1,169,388</u>	<u>155,981</u>	<u>2,086</u>	<u>106,054</u>	<u>2,447,531</u>
As at 31 December 2012						
Cost	1,014,022	1,744,696	806,770	3,238	106,054	3,674,780
<u>Less</u> Accumulated depreciation	-	(575,308)	(650,789)	(1,152)	-	(1,227,249)
Net book amount	<u>1,014,022</u>	<u>1,169,388</u>	<u>155,981</u>	<u>2,086</u>	<u>106,054</u>	<u>2,447,531</u>

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16 Intangible assets, net

	(Unit : Baht'000)		
	Consolidated		
	Computer software	Work in process	Total
As at 1 January 2011			
Cost	789,690	16,982	806,672
<u>Less</u> Accumulated amortisation	(609,819)	-	(609,819)
Net book amount	<u>179,871</u>	<u>16,982</u>	<u>196,853</u>
For the year ended 31 December 2011			
Opening net book amount	179,871	16,982	196,853
Additions	31,362	74,506	105,868
Disposals/write-off	(53)	-	(53)
Transfers	10,117	(12,379)	(2,262)
Amortisation charge	(77,302)	-	(77,302)
Closing net book amount	<u>143,995</u>	<u>79,109</u>	<u>223,104</u>
As at 31 December 2011			
Cost	823,761	79,109	902,870
<u>Less</u> Accumulated amortisation	(679,766)	-	(679,766)
Net book amount	<u>143,995</u>	<u>79,109</u>	<u>223,104</u>
For the year ended 31 December 2012			
Opening net book amount	143,995	79,109	223,104
Additions	28,957	144,334	173,291
Disposals/write-off	(4,444)	-	(4,444)
Transfers	192,223	(192,223)	-
Amortisation charge	(73,848)	-	(73,848)
Adjustments	10	-	10
Closing net book amount	<u>286,893</u>	<u>31,220</u>	<u>318,113</u>
As at 31 December 2012			
Cost	1,038,235	31,220	1,069,455
<u>Less</u> Accumulated amortisation	(751,342)	-	(751,342)
Net book amount	<u>286,893</u>	<u>31,220</u>	<u>318,113</u>

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16 Intangible assets, net (cont.)

	(Unit : Baht'000)		
	SET		
	Computer software	Work in process	Total
As at 1 January 2011			
Cost	708,956	16,982	725,938
<u>Less</u> Accumulated amortisation	(537,635)	-	(537,635)
Net book amount	<u>171,321</u>	<u>16,982</u>	<u>188,303</u>
For the year ended 31 December 2011			
Opening net book amount	171,321	16,982	188,303
Additions	31,362	74,506	105,868
Disposals/write-off	(53)	-	(53)
Transfers	10,117	(12,379)	(2,262)
Amortisation charge	(73,103)	-	(73,103)
Closing net book amount	<u>139,644</u>	<u>79,109</u>	<u>218,753</u>
As at 31 December 2011			
Cost	743,027	79,109	822,136
<u>Less</u> Accumulated amortisation	(603,383)	-	(603,383)
Net book amount	<u>139,644</u>	<u>79,109</u>	<u>218,753</u>
For the year ended 31 December 2012			
Opening net book amount	139,644	79,109	218,753
Additions	28,957	144,334	173,291
Disposals/write-off	(4,444)	-	(4,444)
Transfers	192,223	(192,223)	-
Amortisation charge	(72,160)	-	(72,160)
Closing net book amount	<u>284,220</u>	<u>31,220</u>	<u>315,440</u>
As at 31 December 2012			
Cost	957,501	31,220	988,721
<u>Less</u> Accumulated amortisation	(673,281)	-	(673,281)
Net book amount	<u>284,220</u>	<u>31,220</u>	<u>315,440</u>

17 Assets for margin deposits and benefits

Thailand Clearing House Co., Ltd. (TCH) is the clearing house for derivatives market. Members of TCH who have outstanding positions are obliged to place the required margin deposits as a guarantee according to the rate or amount called by TCH. TCH may invest the margin proceeds according to specified terms and conditions. The benefits, after deducting management fees, shall be distributed to members at the announced rates and procedures.

As at 31 December 2012 and 2011, the details of investments for which margin deposits were placed by members amounting to Baht 6,810.07 million and Baht 6,053.02 million, respectively are as follows:

	2012	2011
	Baht'000	Baht'000
Savings and fixed deposit accounts	6,134,925	5,615,318
Savings account in foreign currency	245,174	-
Bonds	378,408	384,251
Accrued benefits	51,566	53,449
	<u>6,810,073</u>	<u>6,053,018</u>

As at 31 December 2012, savings account in foreign currency of USD 8,042,262.19 was translated into Thai Baht using the average transfer buying rate announced by the Bank of Thailand at the end of the accounting period (2011: nil).

The Group presented margin deposits placed by members separately in the account "Assets for margin deposits and benefits" in current assets in the statements of financial position and presented liabilities in the same amount in the account "Margin deposits and benefits payables" in current liabilities in the statements of financial position.

18 Assets for clearing system protection and benefits

The assets for clearing system protection are established to secure the clearing system of Thailand Clearing House Co., Ltd. (TCH) against any damage caused by defaults by members or other incidents.

Assets for clearing system protection comprise the following :

18.1 Securities Deposit

Members of TCH are required to place a Securities Deposit according to the announcement made by TCH (the current Securities Deposit for general clearing members is not less than Baht 5 million per member and for gold related products clearing members is not less than Baht 4 million per member). TCH will invest the proceeds from the Securities Deposit and return any benefits derived from the Securities Deposit, after deducting management fees, to members in accordance with the announced rates and procedures. Assets held as Securities Deposit will be returned to members after their membership is terminated.

18 Assets for clearing system protection and benefits (cont.)

18.2 Clearing fund contributions comprising contributions from:

- (1) The SET amounting to Baht 100 million
- (2) Members of TCH:
 - Initial contributions according to the announced rates (currently the initial contribution for general clearing members is not less than Baht 5 million per member or for gold related products clearing members is not less than Baht 1 million per member)
 - Monthly contributions at a value of not less than Baht 1,000

Securities Deposit and benefits are the right of the payers according to the proportion of their contributions. When the membership is terminated, the member's Securities Deposit and benefits on contributions will be returned.

As at 31 December 2012 and 2011, assets for clearing system protection and benefits consist of:

	(Unit : Baht'000)					
	Securities Deposit and benefits		Consolidated Clearing fund and benefits		Total	
	2012	2011	2012	2011	2012	2011
Investments being managed by a subsidiary	824,030	731,183	-	-	824,030	731,183
Investments being managed by private funds						
Saving accounts	972	3,263	2,690	3,867	3,662	7,130
Fixed deposit accounts	60,003	-	147,003	-	207,006	-
Other debt instruments	10,000	79,001	20,000	143,001	30,000	222,002
Trading securities	138,300	125,125	328,416	272,221	466,716	397,346
	1,033,305	938,572	498,109	419,089	1,531,414	1,357,661
Accrued interest receivable	8,318	6,253	3,294	1,981	11,612	8,234
Other assets	89	58	5,242	5,279	5,331	5,337
	<u>1,041,712</u>	<u>944,883</u>	<u>506,645</u>	<u>426,349</u>	<u>1,548,357</u>	<u>1,371,232</u>

As at 31 December 2012, the SET's assets for clearing system protection and benefits amounting to Baht 127.03 million (2011: Baht 122.86 million) are as follows:

	(Unit : Baht'000)	
	SET	
	2012	2011
Clearing fund and benefits		
Contributions	100,000	100,000
Benefits	27,033	22,862
	<u>127,033</u>	<u>122,862</u>

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18 Assets for clearing system protection and benefits (cont.)

As at 31 December 2012 and 2011, assets for clearing system protection and benefits payable consist of:

	(Unit : Baht'000)	
	Consolidated	
	2012	2011
Securities Deposit and benefits		
Contributions	1,024,000	929,000
Benefits (semi-annually distribute to members)	17,712	15,883
	<u>1,041,712</u>	<u>944,883</u>
Clearing fund and benefits		
Contributions	330,513	253,184
Benefits	49,099	50,303
	<u>379,612</u>	<u>303,487</u>
	<u>1,421,324</u>	<u>1,248,370</u>

19 Accounts payable and accrued expenses

	Note	(Unit : Baht'000)			
		Consolidated		SET	
		2012	2011	2012	2011
Accounts payable					
Jointly-controlled entity	6	275	258	275	258
Other parties		57,947	49,365	52,786	47,905
		<u>58,222</u>	<u>49,623</u>	<u>53,061</u>	<u>48,163</u>
Accrued expenses					
Subsidiaries	6	-	-	163	158
Jointly-controlled entity	6	14,764	13,867	14,764	13,867
		14,764	13,867	14,927	14,025
Other parties		802,608	629,019	788,373	616,644
		<u>817,372</u>	<u>642,886</u>	<u>803,300</u>	<u>630,669</u>
		<u>875,594</u>	<u>692,509</u>	<u>856,361</u>	<u>678,832</u>

20 Other current liabilities

	(Unit : Baht'000)			
	Consolidated		SET	
	2012	2011	2012	2011
Refund for unallotted NVDRs	214,871	-	-	-
Financial benefits payable	57,906	56,580	-	-
Thai Stock Market Flood Relief Fund	120,015	179,084	120,015	179,084
Withholding tax payable	114,119	73,331	84,571	68,666
Income tax payable	45,082	67,070	-	-
Financial benefits payable to unitholders	41,080	36,249	-	-
Provision for employee benefits from accumulated annual leave	20,903	20,854	20,903	20,854
Other retention payables	18,373	13,663	18,369	13,659
Ngoen-Thong-khong-Mee-Kha Fund	11,299	10,426	11,299	10,426
Capital Market Academy Flood Relief Fund	-	26,222	-	26,222
Others	26,027	22,416	18,367	13,858
	<u>669,675</u>	<u>505,895</u>	<u>273,524</u>	<u>332,769</u>

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21 Provision for employee benefits

	(Unit : Baht'000)			
	Consolidated		SET	
	2012	2011	2012	2011
Obligations in statement of financial position				
Retirement benefits	137,325	123,342	137,325	123,342
Other benefits	29,117	25,880	29,117	25,880
	<u>166,442</u>	<u>149,222</u>	<u>166,442</u>	<u>149,222</u>
Charge in the statement of comprehensive revenues and expenses				
Retirement benefits	19,766	16,272	19,766	16,272
Other benefits	3,238	25,880	3,238	25,880
	<u>23,004</u>	<u>42,152</u>	<u>23,004</u>	<u>42,152</u>

As at 31 December 2012 and 2011, the amounts of liabilities recognised in the statement of financial position are determined as follows:

	(Unit : Baht'000)			
	Consolidated		SET	
	2012	2011	2012	2011
Present value of obligations				
Retirement benefits	158,732	145,295	158,732	145,295
Other benefits	29,117	25,880	29,117	25,880
	<u>187,849</u>	<u>171,175</u>	<u>187,849</u>	<u>171,175</u>
Unrecognised actuarial loss				
Retirement benefits	(21,407)	(21,953)	(21,407)	(21,953)
Liabilities in the statement of financial position	<u>166,442</u>	<u>149,222</u>	<u>166,442</u>	<u>149,222</u>

Movements of the provision for employee benefits for the years ended 31 December 2012 and 2011 were as follows:

	(Unit : Baht'000)			
	Consolidated		SET	
	2012	2011	2012	2011
Opening balance	149,222	120,110	149,222	120,110
Current service cost	16,087	10,053	16,087	10,053
Interest costs	6,370	5,832	6,370	5,832
Past service cost	-	26,267	-	26,267
Unrealized gain from actuarial	546	-	546	-
Transfer from jointly-controlled entity	43	428	43	428
	<u>172,268</u>	<u>162,690</u>	<u>172,268</u>	<u>162,690</u>
<u>Less</u> Benefits paid	<u>(5,826)</u>	<u>(13,468)</u>	<u>(5,826)</u>	<u>(13,468)</u>
Closing balance	166,442	149,222	166,442	149,222
<u>Less</u> Current portion	<u>(6,102)</u>	<u>(5,630)</u>	<u>(6,102)</u>	<u>(5,630)</u>
Total non-current	<u>160,340</u>	<u>143,592</u>	<u>160,340</u>	<u>143,592</u>

21 Provision for employee benefits (cont.)

For the year ended 31 December 2012 and 2011, the principal actuarial assumptions used were as follows:

	<u>2012</u>	<u>2011</u>
Discount rate as of 31 December	3.80%	3.80%
Salary increase rate - permanent employees	5.00% - 10.00%	5.00% - 10.00%
Salary increase rate - contract employees	4.50%	4.50%
Average turnover rate	0.00% - 9.00%	0.00% - 9.00%
Pre-retirement mortality rate	0.08% - 1.03%	0.08% - 1.03%
Retirement age	60 years old	60 years old

22 Fund balances

Details of fund balances are as follows:

Securities Clearing Reserve Fund

In 1997, the Board of Governors of the SET approved an appropriation of general funds of Baht 2,000 million to the Securities Clearing Reserve Fund, which is operated by a subsidiary of the SET, in order to resolve liquidity risk in the event of default on clearing and settlement from securities trading on the SET.

Clearing and Settlement of Derivatives Market Reserve Fund

In 2004, the Board of Governors of the SET approved an appropriation of general funds of Baht 300 million to the Clearing and Settlement of Derivatives Market Reserve Fund in order to assure contingent losses from the clearing and settlement system of futures contracts at Thailand Clearing House Co., Ltd.

Indemnity Fund

In 1993 and 2002, the Board of Governors of the SET approved appropriations of general funds totalling Baht 100 million to the Indemnity Fund in order to assist and assure the Board of Governors of the SET and those appointed assignees on matters requiring consideration and decisions which may affect or cause damages to other parties.

SET Building Construction Fund

In 1992, the Board of Governors of the SET approved an appropriation of general funds totalling Baht 580 million for the construction of SET buildings. Construction of the office buildings was completed in 1998. The remaining fund balance of Baht 246.3 million is reserved for further construction of a parking building.

In 2008, the Board of Governors of the SET approved the construction of the car park building from the above mentioned remaining fund balance. The total construction cost paid for the year ended 31 December 2012 was Baht 0.34 million (2011: Baht 7.32 million).

As at 31 December 2012, SET Building Construction Fund had balance Baht 7.77 million (2011: Baht 8.11 million)

Staff Welfare Fund

In 1997 and 2004, the Board of Governors of the SET approved appropriations of general funds was Baht 75 million to the Staff Welfare Fund. All benefits earned from this fund are retained in the fund.

22 Fund balances (cont.)

Details of fund balances are as follows: (cont.)

Securities Investor Protection Fund

In 2004, the Board of Governors of the SET approved an appropriation of Baht 300 million from broker seat admission fees as an initial fund for the establishment of the Securities Investor Protection Fund (SIPF).

The SIPF was formally established under SIPF regulations on 1 October 2004. The objective of the fund is to protect and build investor confidence in trading listed securities on the SET through the members of the SIPF. As at 31 December 2012, 32 securities companies were SIPF members (2011: 32 companies).

The assets of SIPF consist of:

- 1) the initial fund from the SET of Baht 300 million, which was appropriated from broker seat admission fees;
- 2) the cumulative membership entrance fees and monthly fees collected from the members (commencing from 1 January 2005) of up to Baht 200 million; and
- 3) the future benefits generated from investments in the SIPF.

In July 2010, the SIPF member contributions fully collected reached Baht 200 million, thus meeting the target set by the SIPF regulations. The SET has not collected additional contributions since August 2010.

The fund will protect the investors' assets which are in the custody of the securities brokers who are members of the SIPF. In the event that the members of the SIPF fail to return the assets to investors, each investor shall be compensated by the SIPF for the related damages at the actual cost, but not exceeding Baht 1 million per SIPF member, in the following cases:

- 1) if any SIPF member is in receivership under the Bankruptcy Act or
- 2) if there are disputes concerning the purchase or sale of securities listed on the SET between investors and any SIPF member, and the arbitrator's award is that the SIPF member shall return the assets to investors, but the SIPF member violates the award.

The protection will not include any losses from securities trading regardless of who makes the investment decision.

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22 Fund balances (cont.)

The SIPF's financial statements included as part of the consolidated and entity's financial statements are as follows:

	(Unit : Baht'000)	
	Consolidated and SET	
	2012	2011
Assets		
Current assets		
Cash deposits and short-term investments	401,320	466,644
Accrued interest receivable	4,611	3,764
Total current assets	<u>405,931</u>	<u>470,408</u>
Non-current assets		
Long-term investments	245,170	147,429
Total assets	<u>651,101</u>	<u>617,837</u>
Liabilities and fund balances		
Non-current liabilities		
Contributions from members	201,315	201,315
Benefits on contributions from members	43,356	30,857
Total non-current liabilities	<u>244,671</u>	<u>232,172</u>
Fund balances		
Initial fund	300,000	300,000
Fund balances	106,430	85,665
Total fund balances	<u>406,430</u>	<u>385,665</u>
Total liabilities and fund balances	<u>651,101</u>	<u>617,837</u>

The SIPF's statements of revenues and expenses for the years ended 31 December 2012 and 2011 are presented in Note 23 to the financial statements "Results of fund operations".

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23 Results of fund operations

Details of the results of fund operations which are included as part of the consolidated and the entity's statements of comprehensive revenues and expenses are as follows:

	(Unit : Baht'000)			
	Consolidated financial statements			
	Staff Welfare Fund	Securities Investor Protection Fund (SET's portion)	General Fund	Total
For the year ended 31 December 2012				
Revenues				
Operating revenues	-	-	3,364,915	3,364,915
Investment income, net	1,990	14,185	980,191	996,366
Other income	-	-	180,004	180,004
Total revenues	1,990	14,185	4,525,110	4,541,285
Expenses				
Operating expenses	-	102	2,598,962	2,599,064
Contributions to the Stock Exchange of Thailand Foundation	-	-	453,634	453,634
Income tax	-	-	126,354	126,354
Total expenses	-	102	3,178,950	3,179,052
Revenues over expenses	1,990	14,083	1,346,160	1,362,233
Total other comprehensive revenues and expenses - available-for-sale financial assets	-	6,682	247,720	254,402
Total comprehensive revenues and expenses	1,990	20,765	1,593,880	1,616,635
For the year ended 31 December 2011				
Revenues				
Operating revenues	-	-	3,244,912	3,244,912
Investment income, net	1,720	13,484	750,532	765,736
Other income	-	-	160,956	160,956
Total revenues	1,720	13,484	4,156,400	4,171,604
Expenses				
Operating expenses	-	116	2,545,208	2,545,324
Contributions to the Stock Exchange of Thailand Foundation	-	-	358,937	358,937
Income tax	-	-	157,680	157,680
Total expenses	-	116	3,061,825	3,061,941
Revenues over expenses	1,720	13,368	1,094,575	1,109,663
Total other comprehensive revenues and expenses - available-for-sale financial assets	-	(1,113)	(359,381)	(360,494)
Total comprehensive revenues and expenses	1,720	12,255	735,194	749,169

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23 Results of funds operations (cont.)

Details of the results of fund operations which are included as part of the consolidated and the entity's statements of comprehensive revenues and expenses are as follows: (cont.)

	(Unit : Baht'000)			
	SET			
	Staff Welfare Fund	Securities Investor Protection Fund (SET's portion)	General Fund	Total
For the year ended 31 December 2012				
Revenues				
Operating revenues	-	-	1,330,239	1,330,239
Investment income, net	1,990	14,185	1,254,123	1,270,298
Other income	-	-	1,489,015	1,489,015
Total revenues	1,990	14,185	4,073,377	4,089,552
Expenses				
Operating expenses	-	102	2,396,876	2,396,978
Contributions to the Stock Exchange of Thailand Foundation	-	-	453,634	453,634
Total expenses	-	102	2,850,510	2,850,612
Revenues over expenses	1,990	14,083	1,222,867	1,238,940
Total other comprehensive revenues and expenses -available-for- sale financial assets	-	6,682	247,086	253,768
Total comprehensive revenues and expenses	1,990	20,765	1,469,953	1,492,708
For the year ended 31 December 2011				
Revenues				
Operating revenues	-	-	1,202,854	1,202,854
Investment income, net	1,720	13,484	860,045	875,249
Other income	-	-	1,489,503	1,489,503
Total revenues	1,720	13,484	3,552,402	3,567,606
Expenses				
Operating expenses	-	116	2,341,400	2,341,516
Contributions to the Stock Exchange of Thailand Foundation	-	-	358,937	358,937
Total expenses	-	116	2,700,337	2,700,453
Revenues over expenses	1,720	13,368	852,065	867,153
Total other comprehensive revenues and expenses -available-for-sale financial assets	-	(1,113)	(358,870)	(359,983)
Total comprehensive revenues and expenses	1,720	12,255	493,195	507,170

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24 Operating revenues

	(Unit : Baht'000)			
	Consolidated		SET	
	2012	2011	2012	2011
Trading fees	1,113,290	1,134,191	792,468	719,227
Stock registrar fees	645,182	620,645	-	-
Member services fees	371,564	351,905	-	-
Clearing fees	331,742	339,398	-	-
Listing fees	313,994	280,094	313,994	280,094
Depository fees	188,903	136,691	-	-
Information service fees	183,923	172,473	151,603	140,740
Membership fees	112,549	119,821	22,800	23,200
Fund registrar fees	54,394	50,101	-	-
Customisation and IT support fees	49,374	39,593	49,374	39,593
	<u>3,364,915</u>	<u>3,244,912</u>	<u>1,330,239</u>	<u>1,202,854</u>

25 Investment income, net

	Notes	(Unit : Baht'000)			
		Consolidated		SET	
		2012	2011	2012	2011
Interest income		687,797	478,508	412,586	304,333
<u>Less</u> Interest expense					
Short-term borrowings from subsidiaries	6	-	-	(17,591)	(11,177)
Assets for clearing system protection - members' portion		(248,016)	(148,690)	-	-
Others		-	(395)	-	(395)
Interest income, net		439,781	329,423	394,995	292,761
Dividend income from					
Mutual funds		330,051	301,087	329,827	300,867
Subsidiaries	11	-	-	315,799	134,400
Jointly-controlled entity	12	5,874	4,442	15,874	14,879
Other entities		2,168	1,735	2,168	1,735
Realised gain from investments		180,614	125,073	174,409	122,766
Unrealised gain (loss) from investments		5,827	(9,344)	5,175	(5,479)
Reversals of impairment/(impairment loss)		17,866	(164)	17,866	(164)
		<u>982,181</u>	<u>752,252</u>	<u>1,256,113</u>	<u>861,765</u>

26 Other income

	(Unit : Baht'000)			
	Consolidated		SET	
	2012	2011	2012	2011
Educational activities income	32,015	41,318	32,015	41,318
Revenues from marketing event	26,082	4,420	26,082	4,420
Revenues from fees and management funds	20,552	24,385	-	6,266
Service income	14,688	14,254	1,389,745	1,393,847
Rental & utilities revenue	12,538	11,689	12,538	11,689
Fines	9,962	8,763	5,036	6,903
Other income	35,725	32,602	23,599	25,060
	<u>151,562</u>	<u>137,431</u>	<u>1,489,015</u>	<u>1,489,503</u>

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27 Employee benefit expenses

	(Unit : Baht'000)			
	Consolidated		SET	
	2012	2011	2012	2011
Management				
Salaries and other benefits	151,844	149,122	151,844	149,122
Contributions to provident fund	12,260	12,000	12,260	12,000
	<u>164,104</u>	<u>161,122</u>	<u>164,104</u>	<u>161,122</u>
Other employees				
Salaries and other benefits	865,742	886,352	865,806	886,395
Contributions to provident fund	54,415	54,124	54,415	54,124
	<u>920,157</u>	<u>940,476</u>	<u>920,221</u>	<u>940,519</u>
	<u>1,084,261</u>	<u>1,101,598</u>	<u>1,084,325</u>	<u>1,101,641</u>

The defined contribution plans comprise provident funds established by the Group for its employees. Membership to the funds is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3.00% to 10.00% of their basic salaries and by the Group at the rate of 10.00% of the employees' basic salaries. The provident funds are registered with the Ministry of Finance as juristic entities and are managed by a licensed Fund Manager.

28 SEC fees

The Securities and Exchange Act B.E. 2535 requires the SET to pay to the SEC at a rate as determined by the Board of the SEC.

In 2011, the Board of the SEC has approved to charge the SEC fees from 2011-2013 (for the period of 3 years) as follows:

1. Charge at the rate of 0.002% of trading value of the current year, and
2. Charge on total equity of listing companies who have never issued securities for sale under the approval of the SEC, at the same rate that the SEC charge from listed companies who issued securities and submit report to the SEC according to clause 56 of the SEC Act. In 2013, the SEC charge at 100% of the amount calculated.

However, if there is an event changes or problems of implementation during the period, terms and conditions may be revised.

The Board of the SEC also approved to charge fees from Thailand Future Exchange (Public) Co., Ltd. for operating as the center on the trading of future contracts. In 2011 - 2013, the SEC charged at a fixed rate of Baht 2 million per annum.

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29 Other expenses

	(Unit : Baht'000)			
	Consolidated		SET	
	2012	2011	2012	2011
Fees and compensation expenses	75,877	56,721	72,312	54,363
Travelling and vehicle expenses	33,877	36,003	33,877	36,003
Contributions to capital market institutions	21,421	27,778	21,421	27,875
Institution membership fees	3,599	3,561	2,958	3,192
Meeting expenses	3,222	3,940	3,222	3,940
Entertainment expenses	2,280	3,214	2,280	3,214
Loss from written-off assets	19	5,583	-	5,527
Expenses related with flood situation	-	14,163	-	14,163
Other expenses	19,292	25,342	18,847	18,725
	<u>159,587</u>	<u>176,305</u>	<u>154,917</u>	<u>167,002</u>

30 Commitments with non-related parties

	(Unit : Baht'000)			
	Consolidated		SET	
	2012	2011	2012	2011
Capital commitments				
Computer and software	174,195	42,325	174,195	42,325
Buildings and other constructions	16,759	2,712	16,759	2,712
	<u>190,954</u>	<u>45,037</u>	<u>190,954</u>	<u>45,037</u>
Non-cancellable operating lease commitments				
Within one year	11,266	11,715	11,266	11,715
After one year but within five years	22,440	21,263	22,440	21,263
	<u>33,706</u>	<u>32,978</u>	<u>33,706</u>	<u>32,978</u>
Land lease commitments				
Within one year	13,525	13,525	13,525	13,525
After one year but within five years	56,254	54,100	56,254	54,100
Over 5 years	174,673	190,352	174,673	190,352
	<u>244,452</u>	<u>257,977</u>	<u>244,452</u>	<u>257,977</u>
Derivative trading and clearing system maintenance commitments				
Within one year	75,251	25,466	75,251	25,466
After one year but within five years	215,597	58,889	215,597	58,889
Over 5 years	66,274	-	66,274	-
	<u>357,122</u>	<u>84,355</u>	<u>357,122</u>	<u>84,355</u>

Moreover, the SET has an obligation to capital commitment subscription in two specific-purpose funds (Note 14) as follows:

1. Fund invested directly in energy, alternative a renewable energy firms and businesses that support the government's energy policies. The Asset Management Company will make additional investments from the SET amounting to Baht 18.40 million unless the payment was made in the full amount of capital commitment subscription of due in terms of the 10 years (3 August 2017).
2. Fund invested in business and industries which have potential growth. The capital commitment subscription has in first four year, which due on 11 August 2012 (2011: the capital commitment subscription was Baht 6.9 million to Baht 30.0 million).

31 Contingent liabilities and contingent assets

31.1 Contingent assets

31.1.1 SET

During 2012, the SET sued the insurance group. The SET is seeking compensation for alleged damages relating to dismiss a insurance contract amount Baht 123 million combined with interest rate at 7.50% per annum. As at 31 December 2012, the case is under the consideration by the Civil court so the outcome of the case has not presently been finalised. Therefore, the SET has not recorded any potential income in the financial statements for the years ended 31 December 2012.

31.1.2 Jointly-controlled entity

In 2009, the SET restructured the business of Family Know-how Co., Ltd. (Family Know-how) by entering into a joint venture arrangement with another company, which holds 49.99% of the registered share capital in Family Know-how. The SET holds 2,500,000 preference shares and the other company holds 2,500,000 ordinary shares. During the period from 1 January 2010 to 31 December 2012, the preference shareholders will be entitled to receive dividends before the ordinary shareholders from the operating result of Family Know-how. It will receive 10% of the net profit before legal reserve, and also receive dividends from the remaining net profit according to proportion of share holding in Family Know-how. After this year, all shares will have equal right and status.

As at 31 December 2012, the SET has accrued dividend income which it has the right to receive at 10% of Family Know-how's net profit for the year ended 31 December 2012, amounting to Baht 5.87 million (2011: Baht 4.44 million).

31.2 Contingent liabilities

31.2.1 SET

As at 31 December 2012, the SET has letters of guarantee issued by banks totalling Baht 4.40 million (2011: Baht 4.40 million) in respect of electricity usage in the ordinary course of business from which management anticipates that no material liabilities will arise.

The SET has issued a letter of comfort to a bank in respect of an overdraft credit line of Baht 2,400 million (2011: Baht 2,400 million) granted to Thailand Clearing House Co., Ltd. (TCH), a subsidiary, for clearing and settlement of equity instruments and derivatives. Under the terms of the letter of comfort, the SET is required to maintain its shareholding at 99.99% of the registered share capital in TCH to the end of the credit period. In addition, the SET is required to support TCH's operations to ensure its ability to repay the debt to the bank. As at 31 December 2012, TCH had not drawn down the overdraft credit line.

31.2.2 Subsidiaries

During 2009, a subsidiary of the SET was named in a civil lawsuit as joint defendant (together with other individuals and juristic persons/entities) for alleged wrongful acts. The plaintiff is seeking compensation for alleged damages relating to the forgery of ordinary share certificates and for the defendants to be jointly responsible for compensation totalling Baht 223 million. In 2011, the civil court has considered the dismissal of the case. The outcome of the case has not presently been finalised and it's under the appeal of the plaintiff. The management of the subsidiary has assessed the current status of the litigation and anticipates that the case will not give rise to any significant loss to the subsidiary. Therefore, the subsidiary has not recorded any potential losses in the financial statements for the years ended 31 December 2012 and 2011.

The Group is a defendant in various pending legal cases with third parties from normal operations. In the opinion of management, after taking appropriate legal advice, the anticipated outcome is that these legal cases will not give rise to any significant losses.

32 Loss from written-off fire damaged assets

On 19 May 2010, the Stock of Exchange building was fire damaged as a result of political demonstrations and part of the building and some office equipment were damaged.

As at 31 December 2010, the Group has recognised the net book value of damaged assets of Baht 22.9 million and Baht 22.1 million in the consolidated and the SET's financial statements, respectively.

The Group has all risk insurance covering the building and office equipment and is currently under the claim process with the insurance company (Note 31.1). The Group has not recognised the revenue in the financial statements for 2012 and 2011.